

1 KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC. (KCFAPI)  
2 KCFAPI Center, Gen. Luna corner Sta. Potenciana Sts., Intramuros, Manila, 1002  
3 Tel No. : (02) 8527-2223, (02) 8527-2241  
4 Email Address: kcfraternal@kofc.org.ph  
5 <http://www.kcfapi.com>

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6  
7 **MINTUES OF THE 5<sup>TH</sup> AUDIT COMMITTEE MEETING FOR CY 2024**

8 Date : 16 January 2025  
9 Time : 9 a.m.  
10 Venue : KCFAPI's Boardroom  
11

12 **PRESENT**

13  
14 BRO. ARTEMIO C. DELA CRUZ, CHAIRMAN  
15 BRO. DANILO A. SANCHEZ, VICE CHAIRMAN  
16 BRO. GABRIEL D. MUÑASQUE (Via Zoom)  
17 BRO. EDUARDO A. LARA  
18  
19

20 **ALSO PRESENT:**

21  
22 BRO. ANTHONY P. NAZARIO – KCFAPI EXECUTIVE VICE- PRESIDENT  
23 BRO. BOBBY F. FABREAG - - KCFAPI CORPORATE AUDIT MANAGER/ RECORDING SECRETARY  
24 BRO PAT C. VILLANUEVA – KCFAPI CORPORATE AUDIT SUPERVISOR  
25 BRO. TRISTAN JORDAN E. RELUCIO – KCFAPI CORPORATE AUDIT ASSISTANT  
26 MS. ARIANNE JOYCE U. PEREZ – AUDIT MANAGER – R.G. MANABAT & CO. (KPMG PHILS) (Via Zoom)

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27  
28 **I. Call to Order, Opening Prayer**  
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30 The Chairman called the meeting to order. He requested, Bro. Bobby F. Fabreag to lead the  
31 recitation of the Prayer for the Canonization of Blessed Michael McGivney.

32

33 **II. Determination and Declaration of Quorum**

34

35 The Chairman certified that notice of the meeting was sent to all members of the Audit  
36 Committee and that there is a quorum to conduct official business.

37

38 **III. Formal Adoption of Agenda**

39

40 The Chairman presented to the Audit Committee members the proposed Agenda for the 2025  
41 1<sup>st</sup> meeting. Upon motion of Bro. Eduardo A. Lara , duly seconded by Bro. Danilo A. Sanchez, and there  
42 no objections thereto, the Agenda for the 2025 1<sup>st</sup> meeting was formally adopted as follows:

43

44

**Audit Committee Resolution No. 2025-01**

45

46 "RESOLVED, as it is hereby resolved, to APPROVE the propose Agenda of the 2025 1<sup>st</sup> meeting, dated  
47 January 16, 2025 as follows:

48

- 49 1. Opening Prayer  
50 2. Formal Adoption of Agenda  
51 3. Reading and approval of Minutes of Meeting (December 17, 2024)  
52 4. Business arising from the minutes  
53 5. Updates on requirements of R.G. Manabat & Co. as of January 13, 2025  
54 6. Regular Audit of Investments as of July 31, 2024  
55 7. Updates on Audit Exceptions of Kompass Credit and Financing Corporation as of December  
56 15, 2024  
57 8. Closing Prayer and Adjournment

58

59

60 Adopted this 16<sup>th</sup> day of January, 2025

61

62 **IV. Reading and Approval of Minutes of Meeting- December 17, 2024**

63

64 On motion made by Bro. Gabriel D. Muñasque, duly seconded by Bro. Danilo A. Sanchez the  
65 reading of the Minutes of Meeting for December 17, 2024 were dispensed with.

66

67 Bro. Danilo A. Sanchez moved for approval of the Minutes for December 17, 2024. The motion  
68 was seconded by Bro. Eduardo A. Lara . There being no objections thereto, a resolution was formally  
69 adopted as follows:

70

71

**Audit Committee Resolution No. 2025-02**

72

73 “RESOLVED, as it is hereby resolved, to APPROVE the minutes of the Audit Committee’s  
74 meeting held on Decmeber 17, 2024.”

75

76 Adopted this 16<sup>th</sup> day of January 2025.

77

**78 V. Business arising from the minutes**

79

80 Bro. Bobby F. Fabreag presented to the Committee the updates on the case of Ms. Charity V.  
81 Babia, former Service Office Staff of Cagayan de Oro Service Office.

82

83 Bro. Bobby F. Fabreag informed the Committee that last November 2024, the Management  
84 has sent a demand letter to Ms. Babia requiring her to pay a total amount of One Hundred Seventy  
85 One Thousand Nine Hundred Twenty Seven Pesos and 61/100 (Php 171,927.61).

86

87 Bro. Bobby F. Fabreag also informed the Committee that after reviewing the reply letter of  
88 Ms. Babia to the demand letter sent to her last November 2024, Corporate Audit Department,  
89 Financial Management and Services Department and Treasury Services Department were able to  
90 establish that the total obligation of Ms. Babia is Three Hundred Ninety One Thousand Three Hundred  
91 Thirty Pesos & 90/100 (Php 391,330.90) instead of One Hundred Seventy One Thousand Nine Hundred  
92 Twenty Seven Pesos and 61/100 (Php 171,927.61).

93

94 Bro. Bobby F. Fabreag also informed the Committee that on her reply letter, Ms. Babia  
95 expressed her willingness to pay her obligation to the Association on an installment basis. Corporate  
96 Audit Department has already requested Legal Services and Compliance Department to draft the  
97 Compromise Agreement.

98

99 The draft Compromise Agreement will be presented to the Board of Trustees during their  
100 meeting of January 24, 2025 for final approval as suggested by Atty. Ribomapil Yuvienco to Bro.  
101 Anthony P. Nazario. Once approved, a new demand letter amounting to Three Hundred Ninety-One  
102 Thousand Three Hundred Thirty Pesos & 90/100 (Php 391,330.90) will be sent to Ms. Babia together  
103 with the approved Compromise Agreement.

104

105 Part of the Compromise Agreement is requiring Ms Babia to issue post dated checks covering  
106 her total obligations so that the Association can file another criminal case against the latter for  
107 violation of Batas Pambansa No. 22 if in case the post dated checks that were issued by Ms. Babia  
108 were returned by her bank due to insufficiency of funds and/or closed account.

109

110 Bro. Danilo A. Sanchez asked Bro. Bobby F. Fabreag when they will visit Cagayan Service Office  
111 for their regular audit, the latter answered that they will be auditing Cagayan De Oro Service Office  
112 from January 22-23, 2025. Bro. Since the Board meeting will still happen on January 24, 2025, Bro.  
113 Danilo A. Sanchez instructed Bro. Bobby F. Fabreag to already serve the new demand letter and  
114 Compromise Agreement to Ms. Babia. The Audit Committee will just report to the Board that a new  
115 demand letter and Compromise Agreement was served to Ms. Babia. Bro. Bobby F. Fabreag noted the  
116 instructions given by Bro. Danilo A. Sanchez.

117

118 Bro. Bobby F. Fabreag since Ms. Babia is not anymore living on her registered address at HR  
119 Department, Bro Adrian Boston, FBG Senior Manager for VISMIN areas is the one contacting Ms.  
120 Babia.

121

122 Bro. Danilo A. Sanchez also instructed Bro. Bobby F. Fabreag to evaluate the existing  
123 organizational set-up of service offices and make necessary recommendations on his report if  
124 necessary.

125

126 The Chairman asked Bro. Bobby F. Fabreag what is the status of the temporary assignment of  
127 Bro. Tristan Jordan Relucio, Corporate Audit Assistant to Financial Management and Services  
128 Department (FMAS) to help them in preparing the requirements of KPMG R.G. Manabat & Co.

129

130 Bro. Bobby F. Fabreag reported that the initial plan of temporarily assigning Bro. Tristan  
131 Jordan Relucio to FMAS starting 1st working day of January 2025 did not materialize since Human  
132 Resources Department (HRD) was not able to provide to them the leave ledgers of employees with  
133 leave credits for cash conversion by January 15, 2025. HRD was able to provide to Corporate Audit  
134 Department the leave ledgers last January 7, 2025 also as discussed with Ms. Andrei Mari Santos,  
135 FMAS Manager it is just ok if Tristan will be assigned to FMAS by third week of January 2025 since they  
136 are still closing the Association's book of accounts and a new Accounting Supervisor has joined them  
137 starting 1<sup>st</sup> week of January 2025.

138

139 Bro. Bobby F. Fabreag mentioned to the Committee that Bro. Tristan Jordan Relucio will be  
140 assigned to FMAS starting third week of January 2025 up to second week of February 2025.

141

142 Bro. Bobby F. Fabreag clarified with the Chairman what is the decision/ feedback of the  
143 Committee on the final report of Moore Roxas Tabamo & Co. on Phase 2 of their engagement with  
144 the Association. presentations made by representatives of Moore Roxas Tabamo & Co. last  
145 Committee's meeting since if the Committee decides to endorse their final report, he will instruct  
146 Treasury Services Department to release already the Association's final payment for Phase 2.

147

148 The Chairman instructed Bro. Bobby F. Fabreag to prepare a recommendation addressed to  
149 the Association's Board of Directors so that he can present the recommendation during their meeting  
150 this month. Bro. Bobby F. Fabreag noted the instruction of the Chairman.

151

152 Bro. Bobby F. Fabreag clarified with the Chairman what is the decision/feedback of the  
153 Committee on the quotation presented by the representatives of Moore Roxas Tabamo & Co for Tax  
154 Advisory requirement of the Association concerning charging of management fees to its wholly and  
155 majority owned entities.

156

157 The Chairman instructed Bro. Bobby F. Fabreag to invite additional providers to present their  
158 quotation to the Committee so that they will have comparisons before making their decision.

159

## 160 VI. Updates on requirements of R.G Manabat & Co.

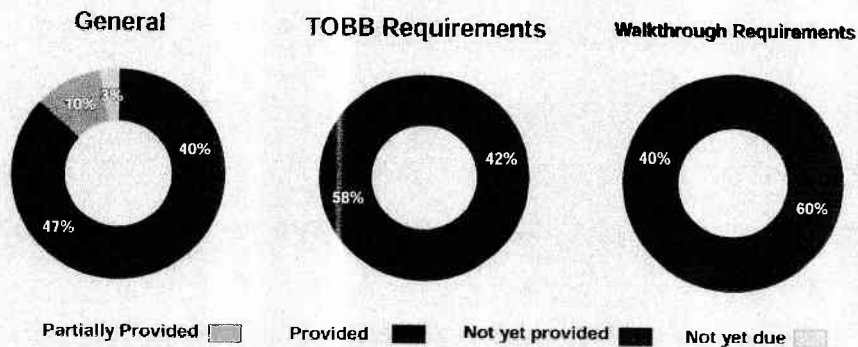
161

162 Bro. Bobby F Fabreag requested the Chairman to acknowledge the presence of Ms. Arianne  
163 Joyce U. Perez, Audit Manager of R.G. Manabata & Co. Ms. Marianne Joyce U. Perez presented to the  
164 Committee the status of their engagement with KCFAPI Group as of January 13, 2025

165

166

### Overall PBC Status - Knights of Columbus Fraternal Association of the Philippines, Inc. (KCFAPI) As of January 13, 2025 9:00 AM

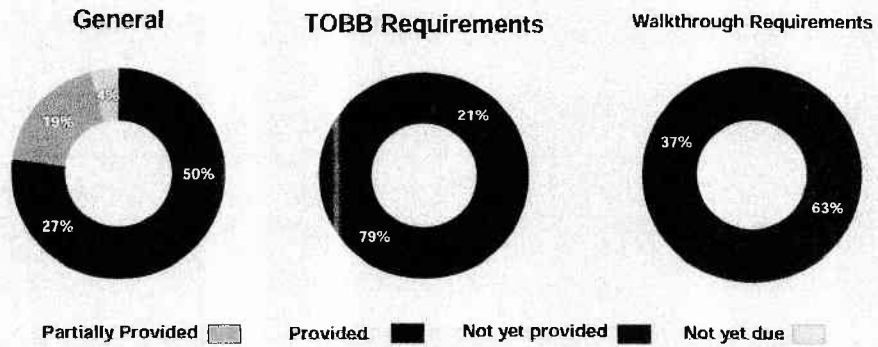


167 \*Year-end requirements are initial and partial, subject to changes upon receipt of year-end trial balance.

168

### Overall PBC Status - Keys Realty and Development Corporation (KRDC)

As of January 13, 2025 9:00 AM



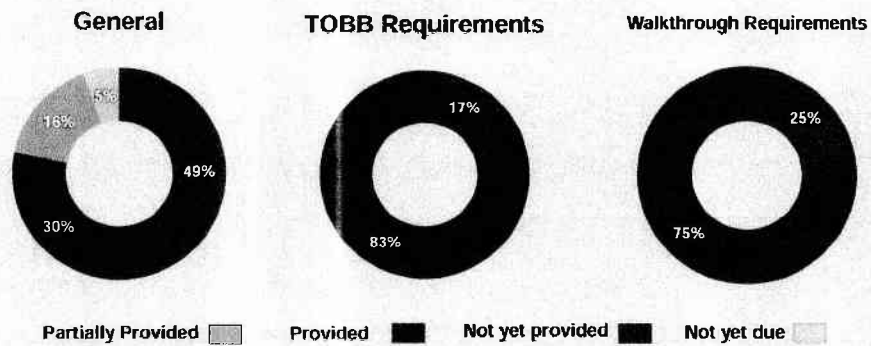
\*Year-end requirements are initial and partial, subject to changes upon receipt of year-end trial balance.

170

171

### Overall PBC Status - KOMPASS CREDIT AND FINANCING CORPORATION (KGFC)

As of January 13, 2025 9:00 AM



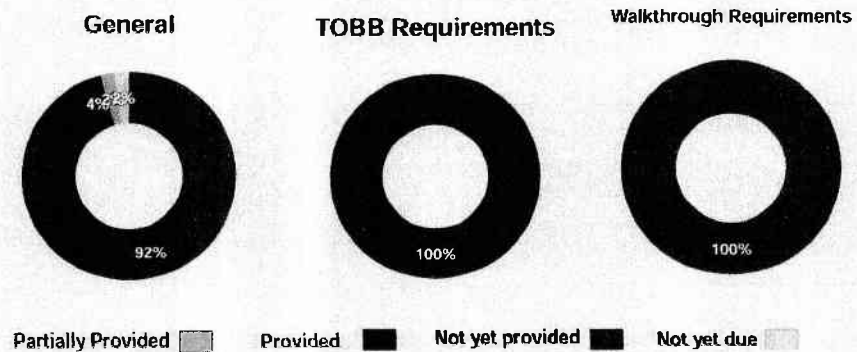
\*Year-end requirements are initial and partial, subject to changes upon receipt of year-end trial balance.

172

173

### Overall PBC Status - Mace Insurance Agency, Inc. (MACE)

As of January 13, 2025 9:00 AM

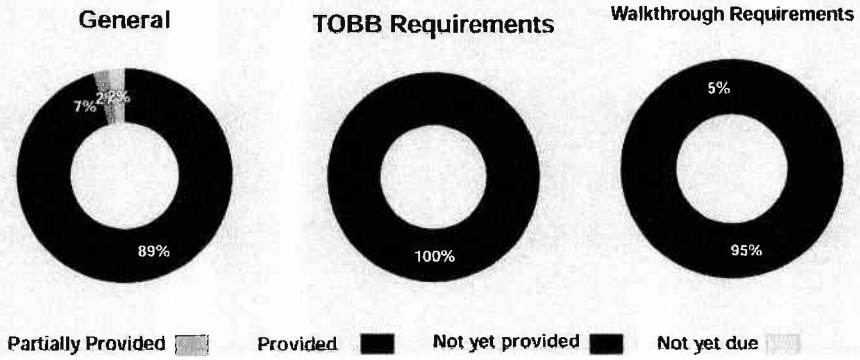


174

175

**Overall PBC Status – KC Foundation Philippines, Inc. (KCFPI)**

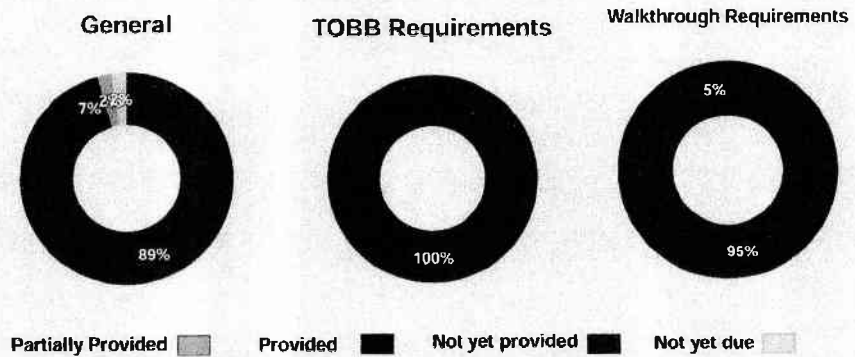
As of January 13, 2025 9:00 AM



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177  
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**Overall PBC Status – Knights of Columbus Fr. George J. Williams Charities, Inc. (KCFGJWC)**

As of January 13, 2025 9:00 AM



Note: No year-end requirements yet. Subject to changes upon receipt of year-end trial balance.

179  
180  
181  
182

Ms. Marianne Joyce U. Perez also presented to the Committee the revised audit timelines:

# Timeline

Completion	Responsible	Initial Timeline Per Kick-off Meeting	Proposed Revised Timeline (December 10, 2024)	Latest Revised Timeline (January 14, 2025)
Submission of audit schedules (interim and TOBB)	KCFAPI Group	Week of October 21, 2024	Week of November 25, 2024	Additional TOBB testing – Week of January 20, 2025
Perform test of operating effectiveness of controls (TOE)	KPMG	Week of October 28, 2024	Week of November 25 and December 2, 2024	Week of January 27, 2025
Test of beginning balances (TOBB)	KPMG	Week of October 28, 2024	Week of December 2, 2024	Week of December 9, 2024
Perform interim substantive testing (September 30 cut off)	KPMG	October 28 to November 22, 2024	November 25 to December 20, 2024	
Discussion and communication of interim testing results	KPMG/KCFAPI Group	Week of November 25, 2024	Week of January 6, 2025	
Submission of year-end audit schedules	KCFAPI Group	Week of January 27, 2025	Week of January 27, 2025	Week of January 27, 2025
Perform TOE rollforward procedures	KPMG	February 10 to 14, 2025	February 10 to 14, 2025	
Perform year-end substantive testing	KPMG	February 10 to March 7, 2025	February 10 to March 7, 2025	February 10 to March 7, 2025
Discussion and communication of year-end testing results to management and those charged with governance	KPMG/KCFAPI Group	Week of March 10, 2025	Week of March 10, 2025	Week of March 10, 2025
Review of financial statements	KPMG	Week of March 17, 2025	Week of March 17, 2025	Week of March 17, 2025
Approval and release of financial statements	KPMG/KCFAPI Group	Week of March 24, 2025	Week of March 24, 2025	Week of March 24, 2025

183

184

185 The Chairman noted the reports presented by Ms. Arianne Joyce U. Perez and the latter was  
 186 excused from the meeting.

187

188 To help FMAS Dept in providing the requirements of R.G. Manabat & Co., the Chairman  
 189 reiterated to Bro. Bobby F. Fabreag to assign Bro. Tristan Jordan Relucio to FMAS Dept.

190

191 The Chairman instructed to Bro. Bobby F. Fabreag to request Ms. Andrei Mari Santos to join  
 192 the Committee's meeting to discuss the temporary assignment of Bro. Tristan Jordan Relucio to her  
 193 team.

194

195 Ms. Andrei Mari Santos joined the meeting. The Chairman asked Ms. Andrei Mari Santos how  
 196 many team members she needs to submit all the pending requirements of R.G. Manabat & Co., the  
 197 latter answered that currently with three newly hired Accounting Assistants and one Accounting  
 198 Supervisor, her team can already provide the requirements of R.G. Manabat & Co, they just need to  
 199 finish their backlogs.

200

201 The Chairman discussed also the status reports presented by Ms. Arianne Joyce U. Perez to  
 202 Ms. Andrei Mari Santos specifically the TOBB requirements for the two foundations which are not yet  
 203 submitted.

204

205 Ms. Andrei Mari Santos mentioned that she already submitted some of the TOBB  
 206 requirements of the two foundations. The Chairman instructed Bro. Bobby F. Fabreag to request Ms.  
 207 Arianne Joyce U. Perez to rejoin the meeting.

208

209 Ms. Arianne Joyce U Perez rejoined the meeting. The Chairman mentioned to Ms. Arianne  
210 Joyce U. Perez that according to Ms. Andrei Mari Santos she already submitted some of the TOBB  
211 requirements of the two foundations last January 12, 2025.

212

213 Ms. Arianne Joyce U. Perez answered that she will check their portal. The Chairman asked Ms.  
214 Arianne Joyce U. Perez if in case FMAS Dept was able to submitted the year end trial balance of KCFAPI,  
215 Kompas Credit Financing Corporation (KFCF), and the two foundations how soon they will be able to  
216 select their samples.

217

218 Ms. Arianne Joyce U. Perez answered that after receiving the year end trial balance, they need  
219 2 to 3 working days to review the submitted trial balance and select the general ledger accounts that  
220 they will reviewing based on their materiality assessment and industry significant accounts. After  
221 reviewing the trial balance and selecting the general ledger accounts they will be reviewing, the team  
222 of Ms Arianne Joyce U. Perez, will providing Ms. Andrei Mari Santos and Bro. Bobby F. Fabreag, the  
223 lists of year end schedules they will be requesting.

224

225 After two to three days of receiving the requested year-end schedules, they will be sending to  
226 the Association the list of their samples for vouching of supporting documents.

227

228 Ms Arianne Joyce U. Perez was excused again from the meeting. After a through discussion of  
229 the requirements and timelines of R.G. Manabat & Co., it was agreed that Bro. Tristan Jordan Relucio  
230 will be temporarily assigned to FMAS from January 20, 2025 to last week of February 2025. It was also  
231 agreed that the basic salary and overtime charges, if any of Bro. Tristan Jordan Relucio during his  
232 assignment at FMAS will be charged accordingly to their budget.

233

234

235 **VII. Regular Audit of Investments of KCFAPI Group as of July 31, 2024**

236

237 Bro. Bobby F. Fabreag presented to the Committee the results of their Regular Audit of  
238 Investments of KCFAPI Group as of July 31, 2025.

239

240 The Chairman noted the report presented by Bro. Bobby F. Fabreag

241

242 **VIII. Updates on Audit Exceptions of Kompas Credit and Financing Corporation as of December 15,**  
243 **2024**

244

245 Bro. Bobby F. Fabreag discussed the status of the audit exceptions of Kompas Credit and  
246 Financing Corporation as of December 15, 2024 as follows:

A. Unannotated Lien- Auto Loan

No. of Loan accounts	No. of loan accounts whose lien are already annotated in the CR	No of loan accounts already fully paid	No. loan of accounts with Temporary CR	No. of loan accounts for annotation
55	16	2	5	32

247

248 **IX. Closing Prayer and Adjournment**

249

250 There being no other matters to discuss, it was moved that the 1<sup>st</sup> meeting for 2025 of the  
251 Audit Committee be adjourned. There being no objections, the Chairman declared the 1<sup>st</sup> meeting for  
252 2025 of the Audit Committee adjourned. Bro. Bobby F. Fabreag led the Prayer for the Cause of Fr.  
253 George J. Willmann, SJ.

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Bro. Bobby F. Fabreag, CPA  
Corporate Audit Manager/ Recording Secretary

260 Attested by:

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263 Bro. Artemio C. Dela Cruz  
264 Chairman

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Bro Danilo A. Sanchez  
Vice-Chairman

  
Bro. Gabriel D. Muñasque  
Member

Approved by:

**Absent**  
Bro. Rogelio D. Tadura  
Member

  
Bro. Eduardo A. Lara  
Member