

KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILIPPINES, INC. (KCFAPI)

KCFAPI Center, Gen. Luna corner Sta. Potenciana Sts., Intramuros, Manila, 1002

Tel No. : (02) 8527-2223, (02) 8527-2241

Email Address: kcfaternal@kofc.org.ph

<http://www.kcfapi.com>

MINUTES OF THE 2nd AUDIT COMMITTEE MEETING FOR CY 2025

Date : March 25, 2025
Time : 2:00 P.M.
Venue : Luzon Jurisdiction's Boardroom

PRESENT

BRO. ARTEMIO C. DELA CRUZ, CHAIRMAN
BRO. DANILO A. SANCHEZ, VICE CHAIRMAN
BRO. GABRIEL D. MUÑASQUE
BRO. ROGELIO D. TADURA – MEMBER
BRO. EDUARDO A. LARA - MEMBER

ALSO PRESENT:

BRO. ANTHONY P. NAZARIO – KCFAPI EXECUTIVE VICE- PRESIDENT
BRO. BOBBY F. FABREAG - - KCFAPI CORPORATE AUDIT MANAGER/ RECORDING SECRETARY
BRO PAT C. VILLANUEVA – KCFAPI CORPORATE AUDIT SUPERVISOR
BRO. TRISTAN JORDAN E. RELUCIO – KCFAPI CORPORATE AUDIT ASSISTANT
BRO. CARL JOHN MIRANDA – KCFAPI CORPORATE AUDIT ASSISTANT
MR. RANDY LAPIDEZ – KPMG R.G. MANABAT & CO. – PARTNER (Via Zoom)
MR. JUDE VINCENT CRUZ – KPMG R.G. MANABAT & CO. – AUDIT DIRECTOR (Via Zoom)
MS. ARIANNE JOYCE U. PEREZ – KPMG R.G. MANABAT & CO. -MANAGER

I. Call to Order, Opening Prayer

The Chairman called the meeting to order. He requested, Bro. Bobby F. Fabreag to lead the recitation of the Prayer for the Canonization of Blessed Michael J. McGivney

II. Determination and Declaration of Quorum

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

III. Formal Adoption of Agenda

The Chairman presented to the Audit Committee members the proposed Agenda for the 2025 2nd meeting. Upon motion of Bro. Rogelio Tadura, duly seconded by Bro. Danilo A. Sanchez, and there no objections thereto, the Agenda for the 2025 2nd meeting was formally adopted as follows:

Audit Committee Resolution No. 2025-03

“RESOLVED, as it is hereby resolved, to APPROVE the propose Agenda of the 2025 2nd meeting, dated March 25, 2025 as follows:

1. Opening Prayer
2. Formal Adoption of Agenda
3. Reading and approval of Minutes of Meeting-January 16, 2025
4. Business arising from the minutes
5. Introduction of the new Corporate Audit Assistant
6. Updates on requirements of KPMG R.G. Manabat & Co. as of March 20, 2025
7. Regular Audit of Cebu Service Office as of November 30, 2024
8. Regular Audit of Cabanatuan Service Office as of December 31, 2024
9. Inventory Count of Unused Official Receipts
10. Others Matters
11. Closing Prayer and Adjournment

Adopted this 25th day of March, 2025

IV. Reading and Approval of Minutes of Meeting- January 16, 2025

On motion made by Bro. Gabriel D. Muñasque, duly seconded by Bro. Rogelio D. Tadura, the reading of the Minutes of Meeting for October 23, 2024 were dispensed with.

Bro. Danilo A. Sanchez moved for approval of the Minutes for October 23, 2024. The motion was seconded by Bro. Rogelio D. Tadura. There being no objections thereto, a resolution was formally adopted as follows:

Audit Committee Resolution No. 2025-04

“RESOLVED, as it is hereby resolved, to APPROVE the minutes of the Audit Committee’s meeting held on January 16, 2025.”

Adopted this 25th day of January 2025.

V. Business arising from minutes

Bro. Bobby F. Fabreag informed the Committee that the final demand letter that he was able to serve the final demand letter to Ms. Charity Babia also the Management has approved the request of Ms. Babia to enter into a Compromise Agreement. Based on the approved Compromise Agreement, Ms. Babia will issue twenty-four (24) post-dated checks to the Association fully settle her obligations.

Bro. Bobby F. Fabreag also informed the Committee that Ms. Babia offered to first issue five (5) PDCs checks to the Association while waiting her new checkbook from her bank but Atty. Ribomopil Yuvienco, head of Legal Services and Compliance Department suggested that before the Association signs the Compromise Agreement, Ms. Babia should first provide the twenty-four (24) post-dated checks.

The Chairman commented that the Association should accept the first five (5) post-dated checks being offered by Ms. Babia while waiting for her new checkbook. Furthermore, the Chairman mentioned that the first four (4) checks will be the monthly payments of Ms. Babia and the amount of the fifth check should be the amount of her remaining balanced.

Once the Association receives the remaining post-dated checks from Ms. Babia, the post-dated check she initially issued to cover her remaining balance will be returned to her. All the members of the Committee agreed with the comments of the Chairman.

Bro. Bobby F. Fabreag commented that he will inform Legal Services and Compliance Department about the instructions of the Committee.

VI . Introduction of the new Corporate Audit Assistant

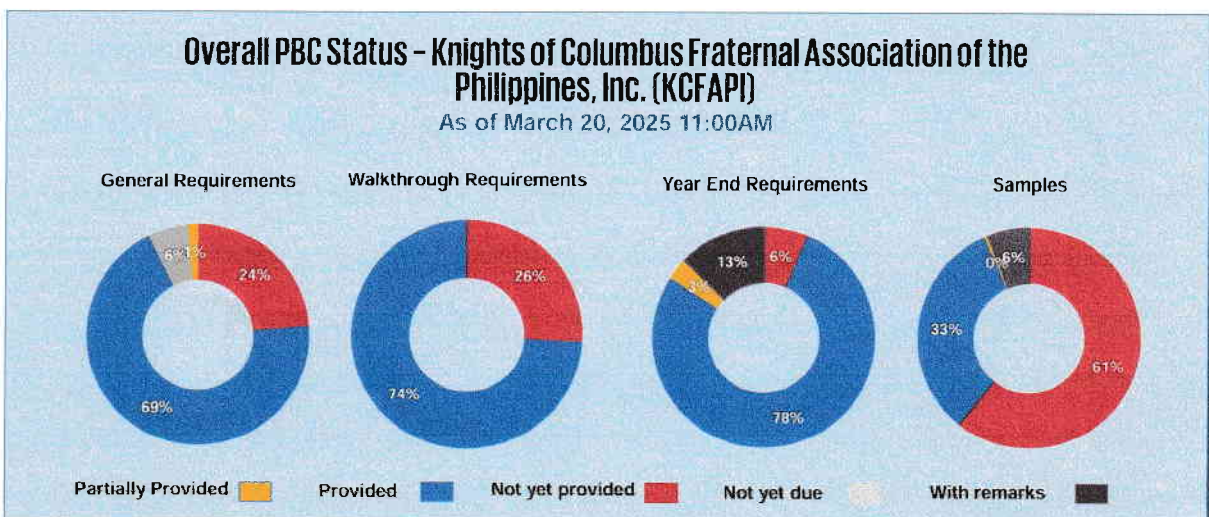
Bro. Bobby F. Fabreag introduced to the Committee Bro. Carl John Miranda, the new Corporate Audit Assistant who joined the Association effective March 3, 2025.

The Chairman welcomed Mr. Miranda to the Association.

VII. Updates from KPMG R.G. Manabat & Co.

Bro. Bobby F. Fabreag requested the Chairman to acknowledge the presence of the representatives of R.G. Manabat & Co. headed by Mr. Randy Tireso F. Lapidez. The Chairman acknowledged the presence of the representatives of R.G. Manabat & Co.

Ms. Arianne Joyce U. Perez to the Committee the status of their audit requirements as of March 20, 2025:



Priority Items

PBC Request	Date Requested	Date Received	Commitment Date	Remarks	KCFAPI
Subsequent trial balance as at February 28, 2025	March 6, 2025			For sample selection	Not yet provided
Subsequent journal entries as at February 28, 2025				For sample selection	Not yet provided
2024 Actuarial Valuation Report on Retirement	January 7, 2025		1 st week of February 2025		Not yet provided
Walkthrough requirements	November 12, 2024	Nov. 19, 2024 to Mar. 4, 2025	1 st : November 30, 2024 2 nd : December 6, 2024 3 rd : December 13, 2024 4 th : January 9, 2025 5 th : February 21, 2025		Partially provided

Priority Items (cont'd)

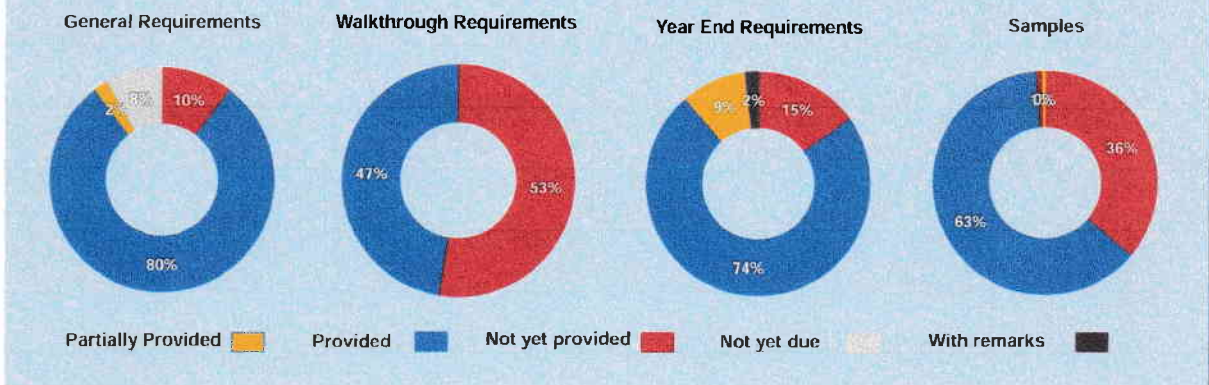
PBC Request	Date Requested	Date Received	Commitment Date	Remarks	KCFAPI
Bank statements/passbooks as at December 31, 2024				Provided bank statements are only for BDO	Partially provided
Detailed computation of forex loss/gain on USD bank deposits, if any		March 21, 2025		Pending USD JV and CV	For validation
Due from reinsurance schedule as at December 31, 2024	January 7, 2025		February 21, 2025	With difference with latest adjusted trial balance provided – for sample selection	With remarks
(Reversal of) provisions for credit losses, net		March 5, 2025		Requesting for the breakdown of the provisions per account	With remarks
Reconciliation schedule of the related party transactions as at December 31, 2024, including amount of transactions and description		March 5, 2025		Requesting for the amount of transactions per related party, including its nature of transaction	With remarks

Other matters

PBC Request	Date Requested	Date Received	Commitment Date	Remarks
Trial balance as at December 31, 2024	January 7, 2025	February 7, 2025	1st: 1/17/2025 2nd: February 6, 2025	Adjusted TB: March 7, 2025 March 13, 2025
Client adjustment journal entries	February 25, 2025	March 7, 2025		Additional CAJEs: March 13, 2025 March 17, 2025 March 21, 2025
Schedules	January 7, 2025	February 21 to March 21, 2025		Noted issues on reconciliation against trial balance, thus, request for the listing of CAJEs

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

As of March 20, 2025 11:00AM



Priority Items

PBC Request	Date Requested	Date Received	Commitment Date	Remarks	KCFAPI
Subsequent trial balance as at February 28, 2025		March 21, 2025		For sample selection	For validation
	March 6, 2025				
Subsequent journal entries as at February 28, 2025		March 21, 2025		For sample selection	For validation
Walkthrough requirements	November 12, 2024		1 st : November 30, 2024 2 nd : December 6, 2024 3 rd : December 13, 2024 4 th : January 9, 2025 5 th : February 21, 2025		Partially provided

Priority Items

Documents Requests	Date Requested	Commitment date	Date of Receipt	Status	KPMG Remarks
List of new contracts or receivables during the year for the following accounts: a. Installment receivables b. Service contracts receivable c. Receivable from hotel reservation d. Refundable utility deposits e. Accrued rent f. Loans to employees e. Other receivables	January 7, 2025	February 21, 2025	March 19, 2025	For validation	For sample selection
Schedule of the Non-Trade Receivables accounts as at December 31, 2024: a. Refundable utility deposits b. Accrued rent c. Loans to employees d. Accrued interest receivable e. Others			February 20, 2025	Partial	2/25: Pending: 11022012-0; 11022011-0 For sample selection

Priority Items

Documents Request	Date Requested	Commitment date	Date of Receipt	Status	KPMG Remarks
Schedule of Accounts Payable and other liabilities accounts as at December 31, 2024: a. Trade payables b. VAT and withholding taxes payables c. Advance payment from customers d. Unearned rent e. Deferred output tax f. SSS, PHIC and Pag-ibig contributions payables g. Accrued expenses h. Others i. Others	January 7, 2025	February 21, 2025	February 27, 2025	Partial	2/25: Pending: 22170001-0, 21120002-0, 21170001-0 3/19/2025: Pending: Deferred Output tax For sample selection
List of new payables during the year for the following accounts: a. Trade payables b. Advance payment from customers c. Unearned rent d. Accrued expenses	January 7, 2025	February 21, 2025	March 19, 2025	For validation	For sample selection

Priority Items

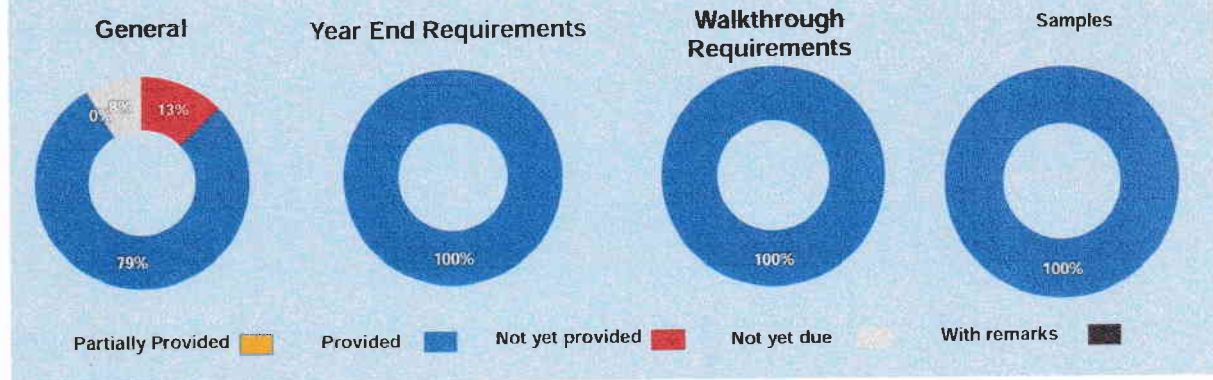
Documents Request	Date Requested	Commitment date	Date of Receipt	Status	KPMG Remarks
Client adjustments (CAJE) listings for the period ended December 31, 2024	January 7, 2025	February 21, 2025		Not yet started	
Property valuation reports	January 7, 2025	February 21, 2025		Not yet started	

Other matters

PBC Request	Date Requested	Date Received	Commitment Date	Remarks
Trial balance as at December 31, 2024	January 7, 2025	February 20, 2025	1st: 1/17/2025 2nd: February 6, 2025	Inquired regarding rollforward issues and abnormal balances – Feb 26, 2025
Journal entries as at December 31, 2024	January 7, 2025	February 20, 2025		Provided response on rollforward file – March 13 and March 19
Schedules	January 7, 2025	February 20 to March 21, 2025		Noted issues on reconciliation against trial balance, thus, request for the listing of CAJEs

Overall PBC Status – Kompass Credit and Financing Corporation (KFCF)

As of March 20, 2025 11:00AM



Priority Items

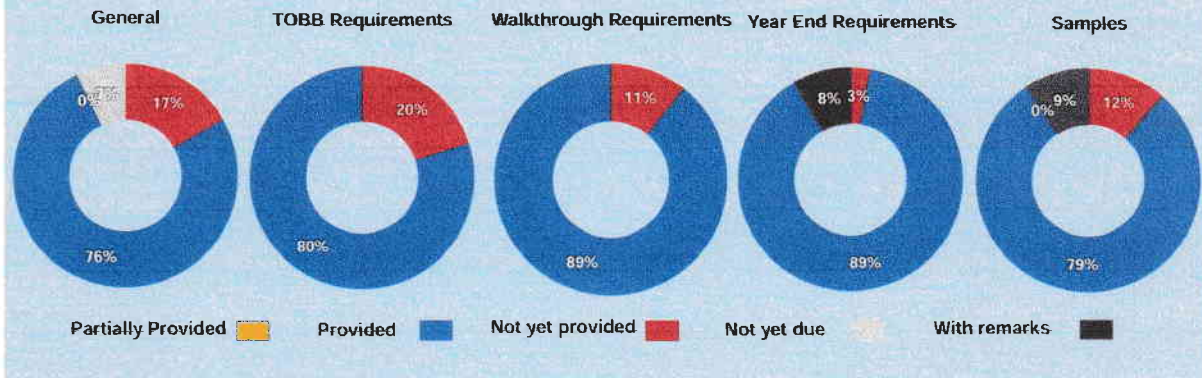
PBC Request	Date Requested	Date Received	Commitment Date	Remarks	KCFAPI
Subsequent trial balance as at February 28, 2025		March 21, 2025		For sample selection	Not yet provided
	March 6, 2025				
Subsequent journal entries as at February 28, 2025		March 21, 2025		For sample selection	Not yet provided

Other matters

PBC Request	Date Requested	Date Received	Commitment Date	Remarks
Trial balance as at December 31, 2024	January 7, 2025	February 7, 2025	1st Commitment: January 29, 2025 2nd Commitment: February 6, 2025	Inquired regarding rollover issues and abnormal balances – Feb 26, 2025
Journal entries as at December 31, 2024	January 7, 2025	February 7, 2025	1st: February 6, 2025	Inquired: February 12, 2025 Resolved: February 18, 2025 Revised TB: March 14, 2025
Client adjusting entries	February 18, 2025	March 14, 2025		March 14, 2025
Schedules	January 7, 2025	February 17 to March 14, 2025		Noted issues on reconciliation against trial balance, thus, request for the listing of CAJES

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

As of March 20, 2025 11:00AM



Priority Items

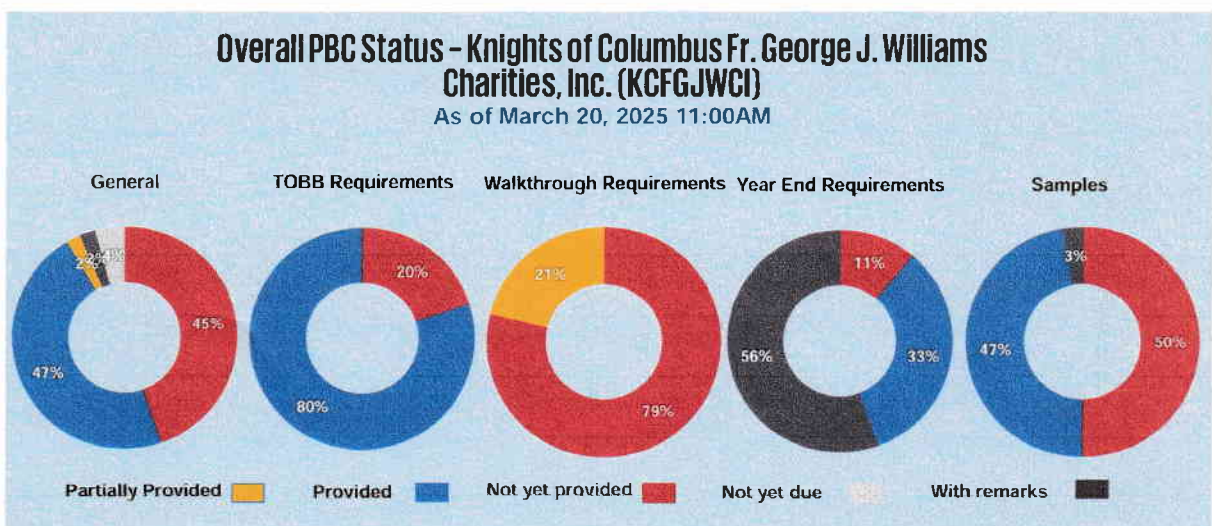
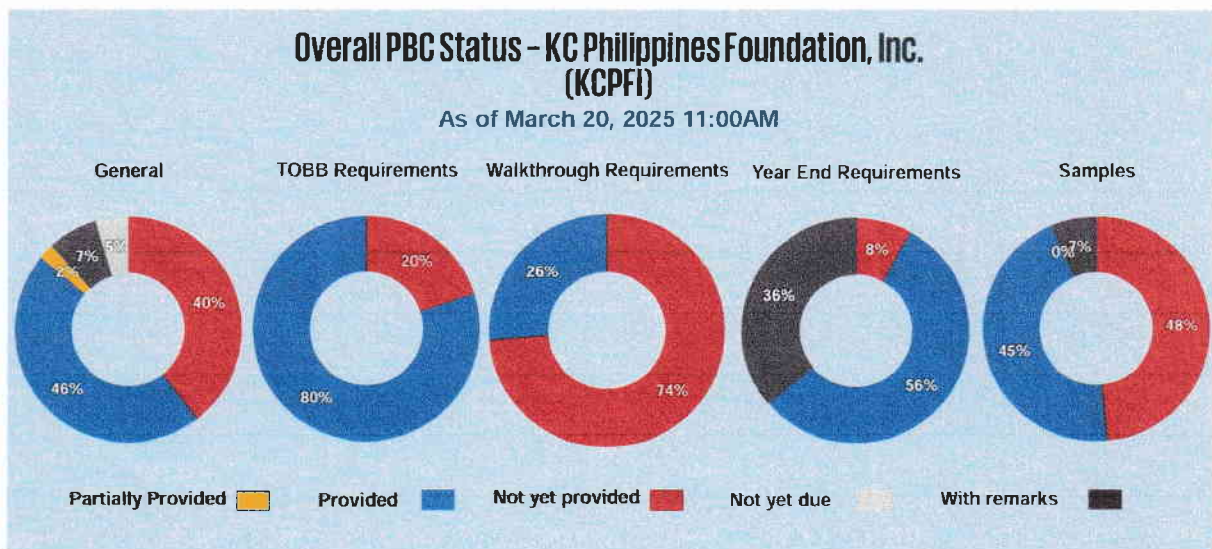
PBC Request	Date Requested	Date Received	Commitment Date	Remarks	KCFAPI
Subsequent trial balance as at February 28, 2025	March 6, 2025			For sample selection	Not yet provided
Subsequent journal entries as at February 28, 2025				For sample selection	Not yet provided
Walkthrough requirements	November 12, 2024		1 st : November 30, 2024 2 nd : December 6, 2024 3 rd : December 13, 2024 4 th : January 9, 2025 5 th : February 21, 2025		Partially provided

Priority Items

Documents Request	Date Requested	Commitment date	Date of Receipt	Status	KPMG Remarks
Schedule/Listing of Fees and commission as of December 31, 2024	February 12, 2025	February 21, 2025	February 28, 2025 March 19, 2025	With remarks	Unreconciled consolidated production report from PBAC
Schedule/Listing of premiums payable as of December 31, 2024				With remarks	
Schedule/Listing of Subsidy from principals as of December 31, 2024				With remarks	Pending production report from Alpha For sample selection

Other matters

PBC Request	Date Requested	Date Received	Commitment Date	Remarks
Trial balance as at December 31, 2024	January 7, 2025	February 28, 2025	1st: 1/17/2025 2nd: February 6, 2025	<p>With differences in rollforward – emailed March 7, 2025</p> <p>Provided resolution – March 9, 2025</p> <p>Noted issues on reconciliation against trial balance, thus, requested for updated schedules</p> <p>Pending resolution on schedules to finalize samples selection</p>
Journal entries as at December 31, 2024	January 7, 2025	March 3, 2025 March 7, 2025		
Schedules	January 7, 2025	February 26 to March 20, 2025		



Priority Items

PBC Request	Date Requested	Date Received	Commitment Date	Remarks	KCFAPI
Extract of journal entries for October to December 2024	January 7, 2025	January 12, 2025	January 9, 2025	With queries raised regarding the rollforward	With remarks
Subsequent trial balance as at February 28, 2025	March 6, 2025			For sample selection	Not yet provided
Subsequent journal entries as at February 28, 2025				For sample selection	Not yet provided
Walkthrough requirements	November 12, 2024	January 12 to March 3, 2025	1 st : November 30, 2024 2 nd : December 6, 2024 3 rd : December 13, 2024 4 th : January 9, 2025 5 th : February 21, 2025		Partially provided

Priority Items

Documents Request	Date Requested	Commitment date	Date of Receipt	Status	KPMG Remarks
Accomplished "Bank Accounts Info" Tab				With remarks	<p>May we inquire the difference noted in Cash in bank - MB account and Cash in bank - dollar? May we also request for the breakdown of the cash and cash equivalents from provided schedule?</p> <p>Pending LBP bank reconciliation report and bank statement</p>
December 31, 2024 bank statements					
December 31, 2024 Bank reconciliation statements					
Schedules of cash in banks, cash on hand, (including reporting currency, original currency, exchange rate used for reporting	February 17, 2025	February 21, 2025			
For new and closed bank account – certificate of opening of bank accounts (corp sec/board) or any support					
Schedule/Listing of Loans payable as of December 31, 2024					
Interest rates of Loans for 2024					

Priority Items

Documents Request	Date Requested	Commitment date	Date of Receipt	Status	KPMG Remarks
Schedule of the Receivables accounts as at December 31, 2024:	February 17, 2025	February 21, 2025		With remarks	<p>May we request for the breakdown of the accounts?</p> <p>For sample selection</p>
<p>a. Accounts Receivables</p> <p>b. Accrued Interest Receivables</p> <p>b. Dividend Receivables</p>					
Schedule of Accounts and Other payables accounts as at December 31, 2024:	February 17, 2025	February 21, 2025		With remarks	<p>May we request for the breakdown of the accounts?</p> <p>Breakdown of accrued scholarship</p> <p>For sample selection</p>
<p>a. Accounts Payable</p> <p>b. Accrued Expenses</p> <p>c. Due to related parties</p>					

Priority Items

Documents Request	Date Requested	Commitment date	Date of Receipt	Status	KPMG Remarks
Schedule of Dividend Income as of December 31, 2024	February 17, 2025	February 21, 2025		With remarks	May we inquire for the difference noted? For sample selection
Schedule of Unrealized Gain on Foreign Exchange as of December 31, 2024					May we request for the breakdown of the accounts? For sample selection
Documents Request	Date Requested	Commitment date	Date of Receipt	Status	KPMG Remarks
Others	February 17, 2025	February 21, 2025		With remarks	Some accounts were missing in the schedule. Breakdown of scholarship grants

Other matters

PBC Request	Date Requested	Date Received	Commitment Date	Remarks
Trial balance as at December 31, 2024	January 7, 2025	February 12, 2025	1st: 1/17/2025 2nd: February 6, 2025	Revised TB – provided to align with schedules (noted initially with differences)
Journal entries as at December 31, 2024	January 7, 2025	March 3, 2025 March 7, 2025		Issues on rollforward – March 6, 2025 Provided response on rollforward issue – March 21, 2025 (for validation)
Schedules	February 17, 2025	March 3, 2025 March 18, 2025		Noted issues on reconciliation against trial balance, thus, requested for updated schedules or rely on journal entries

The Chairman asked Ms. Arianne Joyce U. Perez given the pending items can they can still release the audited financial statements prior to April 15, 2025 so that the Management can submit their audited financial statements until April 25, 2025 to Bureau of Internal Revenue.

In response, Ms. Arianne Joyce U. Perez presented to the Committee their timelines:

Bro. Bobby F. Fabreag requested the Committee to endorse to the Board of KCFAPI the approval of the authorization of the Presidents of KCFAPI Group to approve the filing of their Income Tax Returns to Bureau of Internal Revenue.

The Committee unanimously approved the request of Bro. Bobby F. Fabreag. The Chairman instructed Bro Bobby. F. Fabreag to prepare the necessary endorsement to the Board, the latter noted the instruction of the Committee.

Bro. Bobby F. Fabreag also informed the Committee that KCFAPI, its wholly and majority owned entities and two (2) foundations can file their audited financial statements to Bureau of Internal Revenue until April 30, 2025.

Bro. Bobby F. Fabreag also informed the Committee that the audited financial statements of Knights of Columbus Fraternal Association of the Philippines Inc. should be approved by the Board few days before April 30, 2025 to give the Financial Management and Accounting Services Department ample time to submit the audited financial statements to Bureau of Internal Revenue of Insurance Commission until April 30, 2025.

The Chairman requested Mr. Randy Lapidez to present the audited financial statements to the Management and to the Board of KCFAPI few days before April 30, 2025.

There being no concerns or questions, the representatives of KPMG R.G. Manabat & Co. were excused from the meeting.

VIII. Regular Audit of Cebu Service Office as of November 30, 2024

Bro. Bobby F. Fabreag presented to the Committee the report for the Regular Audit of Cebu Service Office as of November 30, 2024.

There being no concerns or questions, the Chairman noted the report for the Regular Audit of Cebu Service Office.

IX. Regular Audit of Cabanatuan Service Office as of December 31, 2024

Bro. Bobby F. Fabreag presented to the Committee the report for the Regular Audit of Cabanatuan Service Office as of December 31, 2024.

There being no more concerns, questions, the Chairman noted the report for the Regular Audit of Cabanatuan Service Office.

X. Inventory count of Unused Official Receipts

Bro. Bobby F. Fabreag presented to the Committee the results of their inventory count of unused official receipts prior to implementation of E-Receipt.

There being no concerns or questions, the Chairman noted the presentations made by Bro. Bobby F. Fabreag

XI. Closing Prayer and Adjournment

There being no other matters to discuss, it was moved that the 2nd meeting for 2025 of the Audit Committee be adjourned. There being no objections, the Chairman declared the 2nd meeting for 2025 of the Audit Committee adjourned. Bro. Bobby F. Fabreag led the Prayer for the Cause of Fr. George J. Willmann, SJ.



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

Attested by:


Bro. Artemio C. Dela Cruz
Chairman

Approved by:


Bro Danilo A. Sanchez
Vice-Chairman


Bro. Rogelio D. Tadura
Member

Bro. Gabriel D. Muñasque
Member

Bro. Eduardo A. Lara
Member