

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

**4th MEETING OF THE AUDIT COMMITTEE FOR C.Y. 2025**

Date : August 27, 2025 (Wednesday)

Time : 4:00 p.m.

Place : KCFAPI's Board Room

**A G E N D A**

1. Opening Prayer
2. Formal Adoption of Agenda
3. Reading and Approval of Minutes of Meeting (June 25, 2025)
4. Business arising from the minutes
5. Introduction of the Corporate Audit Team
6. Collections Audit Report: Cebu Service Office –  
Covered period of January 1 to May 30, 2025
7. Collections Audit Report: Cagayan de Oro Service Office –  
Covered period of January 1 to May 30, 2025
8. Closing Prayer and Adjournment

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

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7 **MINUTES OF THE 3<sup>RD</sup> AUDIT COMMITTEE MEETING FOR CY 2025**

8 Date : June 25, 2025

9 Time : 1:00 P.M.

10 Venue : KCFAPI Board Room

11  
12 **PRESENT**

13  
14 BRO. ARTEMIO C. DELA CRUZ, CHAIRMAN

15 BRO. DANILO A. SANCHEZ, VICE CHAIRMAN

16 BRO. ROGELIO D. TADURA – MEMBER

17 BRO. GABRIEL D. MUÑASQUE, MEMBER (via Zoom)

18 BRO. EDUARDO A. LARA – MEMBER (via Zoom)

19  
20 **ALSO PRESENT:**

21  
22 BRO. ANTHONY P. NAZARIO – KCFAPI EXECUTIVE VICE- PRESIDENT

23 BRO PAT C. VILLANUEVA – KCFAPI CORPORATE AUDIT SUPERVISOR / RECORDING SECRETARY

24 BRO. TRISTAN JORDAN E. RELUCIO – KCFAPI CORPORATE AUDIT ASSISTANT

25 BRO. CARL JOHN MIRANDA – KCFAPI CORPORATE AUDIT ASSISTANT

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28  
29 **I. Call to Order, Opening Prayer**

30

31 The Chairman called the meeting to order. He requested, Bro. Pat C. Villanueva to lead the  
32 recitation of the Prayer for the Canonization of Blessed Michael Mc. Givney

33

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

35

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

38

39 **III. Formal Adoption of Agenda**

40

41 The Chairman presented to the Audit Committee members the proposed Agenda for the 2025  
42 3<sup>rd</sup> meeting. Upon motion of Bro. Rogelio Tadura, duly seconded by Bro. Danilo A. Sanchez, and there  
43 no objections thereto, the Agenda for the 2025 3<sup>rd</sup> meeting was formally adopted as follows:

44

45 **Audit Committee Resolution No. 2025-05**

46

47 "RESOLVED, as it is hereby resolved, to APPROVE the propose Agenda of the 2025 3<sup>rd</sup> meeting, dated  
48 June 25, 2025 as follows:

49

- 50 1. Opening Prayer
- 51 2. Formal Adoption of Agenda
- 52 3. Reading and approval of Minutes of Meeting-March 25, 2025
- 53 4. Business arising from the minutes
- 54 5. Collections Audit Report: Cagayan de Oro Service Office – Covered period of June 1 to  
55 November 30, 2024
- 56 6. Collections Audit Report: Davao Service Office – Covered period of October 1, 2024 to January  
57 31, 2025
- 58 7. Audit of Cash Advances- KCFAPI Head Office Covered period of June 2024 to February 2025
- 59 8. Audit of Cash Advances- BCBD Covered period of January 2024 to February 2025
- 60 9. Audit of Cash Advances- Fraternal Benefits Department Covered period of
- 61 10. Closing Prayer and Adjournment

62

63 Adopted this 25<sup>th</sup> day of June, 2025

64

65 **IV. Reading and Approval of Minutes of Meeting- March 25, 2025**

66

67 On motion made by Bro. Artemio C. Dela Cruz, duly seconded by Bro. Danilo A. Sanchez, the  
68 reading of the Minutes of Meeting for Match 25, 2025 were dispensed with.

69

70 Bro. Danilo A. Sanchez moved for approval of the Minutes for March 25, 2025. The motion  
71 was seconded by Bro. Rogelio D. Tadura. There being no objections thereto, a resolution was formally  
72 adopted as follows:

73

74 **Audit Committee Resolution No. 2025-06**

75

76 "RESOLVED, as it is hereby resolved, to APPROVE the minutes of the Audit  
77 Committee's meeting held on March 25, 2025."

78

79 Adopted this 25<sup>th</sup> day of June 2025.

80

81 **V. Business arising from minutes**

82

83 Bro. Pat C. Villanueva informed the Committee that as of April 2025 all post-dated checks,  
84 twenty-four (24) checks to be exacted, were already given by Ms. Charity Babia. All posted-dated  
85 checks were already in the custody of the Treasury Service Department. The monthly payments were  
86 Php25,000 each and as of the current date, no failed payments.

87

88 Bro. Artemio C. Dela Cruz asked if that was the final amount accountable to Ms. Charity Babia  
89 because, as per agreement, any additional findings will be added to her total liability. Bro. Pat C.  
90 Villanueva confirmed the agreement and stated that prior to the date of meeting, there were incoming  
91 incident reports from the Benefit Certificate holders from Cagayan de Oro concerning their accounts.  
92 Bro. Pat C. Villanueva explained to the Committee that the Corporate Audit was able to confirm the  
93 losses and these reported cases were already included in the total liability of Ms. Charity Babia. Bro.  
94 Pat C. Villanueva added that no outside additional reports are to be included in our audit findings.

95

96 Bro. Danilo A. Sanchez asked for a confirmation that if that's the final total amount of liability  
97 by Ms. Charity Babia. The Chairman commented that as per arrangement, any cases to be reported  
98 and confirmed additional losses will be added to the total liability. For now, as far as we are concerned,  
99 that was the total liability to be paid by Ms. Charity Babia.

100

101 Bro. Pat C. Villanueva added that the remaining topics from the previous business are from  
102 the recent External Audit that was already completed last April 2025.

103

104 The Chairman asked the status of the report of Cagayan de Oro Service and asked the current  
105 employees on the service office. Bro. Pat C. Villanueva answered to the Committee, as confirmed by  
106 our Executive Vice President Bro. Anthony P. Nazario, that the current employees at Cagayan de Oro  
107 Service Office were Bro. Renante Bong Bragat and the newly hired cashier Bro. Michael Galacio.

108

109 The Chairman also asked about the status of Bro. Renante Bong Bragat in the Cagayan de Oro  
110 Service Office. Bro. Pat C. Villanueva gave an overview to the Committee about the current situation  
111 at the Cagayan de Oro Service office and added that Bro. Renante Bong Bragat will be the subject of  
112 the next audit report.

113

114 As part of the discussion, the Chairman instructed the Corporate Audit to take a look at the  
115 properties or certain issues to be immediately addressed to our subsidiaries whenever the Corporate  
116 Audit is assigned to the service offices where our subsidiaries were also present at the location. The  
117 importance of this is to tackle all auditable areas for the whole KCFAPI Group. The Committee also  
118 commented that in case there is also a specific audit finding for the subsidiary, one member of their  
119 Board should be present during the discussion.

120

121 During discussion of the audit reports, the Chairman instructed the Corporate Audit that the  
122 audit report / findings should be discussed first with the EVP and consistently practice the Exit  
123 Meetings with the presence of the EVP (during meetings) to act as a mediator and for the practice of  
124 good governance.

125

126 The Committee already made a preliminary discussion about the reports and findings at  
127 Columbus Hotel Plaza, General Santos City. This will be formally discussed upon presentation of the  
128 audit reports to the next Audit Committee meeting.

129

130 **VI. Discussion of Collections Audit Report: Cagayan de Oro Service Office – Covered period of June**  
131 **1 to November 30, 2024**

132

133 Bro. Pat C. Villanueva discussed that the highlight of the audit report was a verification of an  
134 audit finding that originally came from the incident report against Ms. Charity Babia last June 2024.  
135 Bro. Pat C. Villanueva explained that there was a lapping of collection that occurred during June 7,  
136 2024, the exact date when Ms. Charity Babia left the office during working hours. The Chairman  
137 requested the auditor to further explain to the Committee what is the lapping of collections. Bro. Pat  
138 C. Villanueva explained to the Committee that lapping of collections is a type of fraud when an  
139 employee steals cash from yesterday's collections and then will use current or today's collection to  
140 cover the original theft/ missing amount, repeating the process to conceal the theft over time. This  
141 audit finding was already noted during the investigation of the Charity Babia incident in late 2024. As  
142 supported by the incident report submitted by Sis. Jennefer B. Capulong, Asst Manager TSD, wherein  
143 Bro. Renante Bong Bragat admitted the lapping during June 7, 2024 until June 18, 2024 because of the

183 Bro. Pat C. Villanueva presented to the Committee the results of their collections audit of  
184 Davao Service Office for the period of October 1, 2024 to January 31, 2025.

185

186 The Chairman noted the report presented by Bro. Pat C. Villanueva.

187

188 **VII. Discussion of Audit of Cash Advances: KCFAPI Head Office (June 2024 to February 2025),**  
189 **Benefits Claims Department (January 2024 to February 2025) and Fraternal Benefits Department**  
190 **(January 2025 to March 2025)**

191

192 Bro. Pat C. Villanueva started the discussion by explaining that the Audit of Cash Advances for  
193 BCBD and Fraternal Benefits Department are supplementary reports which resulted from the Audit of  
194 Cash Advances - KCFAPI Head Office. It was communicated to our Executive Vice President that an  
195 audit of cash advances should be performed for BCBD and FBD due to the volume of their cash advance  
196 requests.

197 The auditor discussed the highlights of the reports since the approach and methodology used  
198 were the same. The Corporate Audit performed random checking of cash advances for KCFAPI Head  
199 office while one hundred percent (100%) checking for BCBD and FBD. Numerous findings were noted  
200 during the audit. Certain audit findings were caused by direct infractions, while others are due to  
201 technical reporting issues. Bro. Anthony P. Nazario commented that the guidelines and policy of Cash  
202 Advance were already revised and the issues noted were already addressed.

203

204 As part of the discussion, the auditor reported that the audit of advances became successful  
205 and a milestone was achieved because certain employees who perpetrated the policy were caught  
206 and issued with a Notice to Explain. One (1) employee from BCBD already admitted his fault, through  
207 a reply from his NTE, that he purposely altered the receipt. Notice of Decision was already released,  
208 and the employee already served his disciplinary action of five (5) days' work suspension. The decision  
209 was on the gravity of the violation, from minimum to maximum, mitigating and aggravating factors.  
210 Another employee who violated the cash advance policy was from FBD. He is purposely not submitting  
211 the sales invoices, resulting from non-liquidation of expenses since April 2025. The Financial  
212 Management and Accounting Services already issued an NTE to this employee but no responses were  
213 made. FMAS, with the consent of HRD, already started the salary deduction in April 2025 to return the  
214 amount of cash advance. Notice to Explain will be re-issued to this employee.

215

216 **X. Other Matters, Closing Prayer and Adjournment**

217

218 Bro. Anthony P. Nazario announced to the Audit Committee that the company is seriously  
219 looking after the infractions of Bro. Renante Bong Bragat and Bro. Benedicto Ladiona Jr., which their  
220 offense poses as a serious matter. The investigation has already started and due process will be  
221 observed.

222

223 Bro. Artemio C. Dela Cruz reminds that the Audit and Audit Committee is not working to find  
224 faults. The Audit promotes and observes good governance. It also serves to check if the policies  
225 approved by the management are properly implemented and employees are faithfully following. It is  
226 done without fear, no prejudice to those who might be under audit, and to promote fairness. Bro.  
227 Danilo A. Sanchez added that one of the important aspects of the audit visit is to check the  
228 implementation of policies and to fix anything wrong not, just fault finding.

229  
230 Bro. Rogelio D. Tadura moved to note the audit reports. The motion was seconded by Bro.  
231 Danilo A. Sanchez. Since there are no more matters to be discussed, the agendas were already  
232 addressed and there were no objections, the Chairman declared the 3<sup>rd</sup> meeting for Calendar Year  
233 2025 to be adjourned. At the same time, all members of the Audit Committee recite the Prayer for  
234 the Cause of Fr. George J. Willman.

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239 **Bro. Pat C. Villanueva, CPA**  
240 **Corporate Audit Supervisor/ Recording Secretary**

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242  
243 Attested by:

244  
245 **Bro. Danilo A. Sanchez**  
246 **Former Vice -Chairman**

  
**Bro. Rogelio D. Tadura**  
**Current Vice-Chairman**

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252 Approved by:

253  
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256   
257 **Bro. Lauro A. Patiag**  
258 **Chairman**

  
**Bro. Wenceslao A. Cañete Jr.**  
**Member**

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