



# **LBP LEASING AND FINANCE CORPORATION**

(A LANDBANK SUBSIDIARY)

## **BOARD RESOLUTION NO. 24-292**

In the regular meeting of the Board of Directors of LLFC held on 17 December 2024 via Face-to-Face meeting and Zoom video-conferencing, during which a valid quorum was present, the following resolution was adopted by the Board:

Bd. Res. No. 24-292: CERTIFICATION ON THE ADEQUACY OF LLFC  
INTERNAL CONTROL, RISK ASSESSMENT AND  
GOVERNANCE  
- Confirmed

RESOLVED, as it is hereby resolved, that the internal control, risk management systems, and governance of LBP Leasing and Finance Corporation are adequate and within the acceptable level with the policy formulation and compliance to regulatory issuances, the details of which were contained in the Memorandum for the Board dated 25 November 2024 be, as it is hereby, CONFIRMED.

ATTY. MAXIMILLIAN KING Z. FERNANDEZ

Logged in User : [ilramo@lbpleasing.com](mailto:ilramo@lbpleasing.com) (03/25/2025)




# **LBP LEASING AND FINANCE CORPORATION**

(A LANDBANK SUBSIDIARY)

**CLASS C**

## **MEMORANDUM:**

**FOR** : The Board of Directors 

**THRU** : The Audit Committee

**FROM** : The Internal Auditor

**SUBJECT** : Certification on the Adequacy of LLFC Internal Control, Risk Assessment and Governance

**DATE** : 25 November 2024

### **Background:**

The Governance Commission for GOCC requires, as part of the Corporate Governance Scorecard, that the annual report of LLFC shall contain a statement from the Board of Directors or Audit Committee on the adequacy of LLFC's internal control and risk management systems.

### **Results:**

The Audit Committee has convened three (3) regular meetings and four (4) special meetings for CY 2024 as of November 27, 2024. Presented below is a summary of significant matters discussed during the 2024 Audit Committee meetings.

#### **A. Operations Oversight:**

The Internal Audit office accomplishments for the year 2024 are summarized per attached Annex A.

#### **B. Compliance Oversight:**

LBP-CCM presented their reports to the Audit Committee, as follows:

1. Regulatory Issuances for the period covering October 2023 to September 2024 and results of Pre-Testing
2. Periodic Compliance Testing (PCT) for the period October 2023 to September 2024
3. AML/CTFP Reports for the period October 2023 to September 2024

Based on the results of the review, the internal auditor certifies that the internal control, risk assessment and governance of LBP Leasing and Finance Corporation are adequate and within the acceptable level.

## **CLASS C**

**Request:**

A Board resolution certifying that the internal control, risk management systems, and governance of LBP Leasing and Finance Corporation are adequate and within the acceptable level with the policy formulation and compliance to regulatory issuances.

For your confirmation.

  
**PRINCES JINKY P. JALMASCO**  
Head – Internal Audit Office

## CLASS B

### ANNEX A – Accomplishment Report of Internal Audit Group For Year 2024

Area	Scope	Remarks
AMG	Update on Audit Open Findings on the following accounts: ❖ RCJ Bus Lines ❖ DCD Construction, Inc. ❖ Shogun Ships Co., Inc. ❖ Mediarchives ❖ Vibal Group ❖ Medical One Corp. ❖ Phil. Centennial Dev. Corp. ❖ Total Power, Inc.	<b>Noted.</b> AuditCom Resolution 2024-009
AMG	Status update for the account of MEDICAL ONE CORPORATION	<b>Noted.</b> AuditCom Resolution 2024-016
AMG, CSG, RAMU, OGC	Lease and Loan Operation: ❖ Account Generation ❖ Account Management ❖ Credit Assessment ❖ Account Servicing ❖ Remedial Accounts Management ❖ Legal Services	<p><b>Noted.</b> AuditCom Resolution No. 2024-021.</p> <p>With one (1) Major exception noted in Account Management process while other processes were either Moderate and Minor.</p> <p>The Internal Audit however, recommends the following to strengthen internal controls, risk assessment and governance such as:</p> <ol style="list-style-type: none"> <li>1. Strict compliance to existing policies, guidelines, procedures and approved terms and conditions of the facilities.</li> <li>2. Ensure compliance to regulatory and statutory requirements.</li> <li>3. Promptly identify deteriorating credit exposures and determine the appropriate allowance for credit losses for immediate booking of the accounting unit.</li> <li>4. Timely dissemination of information and requirements to units</li> </ol>



		<p>within LLFC that have impact to the implementation of credit facilities.</p> <p>5. Improve the conduct of review, analysis, and validation of documents received from clients and inform clients of any discrepancies noted.</p> <p>6. Improve the conduct of due diligence and customer profiling to determine the credit worthiness of the client.</p> <p>7. Attendance of AMG personnel to seminars/trainings related to financial analysis that will further improve the review of credit and financial documents submitted by the clients.</p> <p>8. Ensure proper and up-to-date filing of client's documents to the folder for traceability, easy access, validation, and verification.</p>
AMG, RAMU	Collections on Written-Off Accounts, Past Due/Problematic Loans and Chauffeuring Services	<b>Noted.</b> AuditCom Resolution 2024-026 to 028
IAO	Results of Money Laundering Prevention Program (MLPP)	<b>Noted.</b> AuditCom Resolution 2024-029
CSG	Chauffeuring Services: <ul style="list-style-type: none"> <li>❖ Procurement Development</li> <li>❖ Chauffeuring Services Management</li> <li>❖ Repairs and Maintenance Administration</li> <li>❖ Insurance, Registration and Claims Monitoring</li> <li>❖ Billing and Collection</li> </ul>	<b>For presentation to December 2024 AuditCom Meeting</b>