



**Accomplishment Report
Audit Committee
CY 2024**

The Audit Committee is one of the committees constituted under the PCSO Manual of Corporate Governance. Its main function is to oversee, monitor, and evaluate the adequacy and effectiveness of PCSO's internal control system, including the review of the audit scope and frequency. In 2024, the Audit Committee convened in four (4) separate meetings to assess the planned and completed audits, as well as monitor the activities of the Internal Audit Services (IAS). The discussions held by the members the Committee may be summarized as follows:

I. Cancellation Feature of Lotto Terminals

The feature of Lotto terminals allowing cancellation of bets was disabled as the Committee discovered an unusual volume of cancellations in different Lotto outlets. Upon the conduct of further investigation, it was revealed that the number of cancellations by Lotto outlets did not correspond to the actual number of cancelled tickets. The Committee directed the IAS to closely monitor the matter and assist in building a case against erring Lotto agents as the agency lost significant revenue due to said irregularity.

II. Agency Agreements and Notices of Extension

The Branch Offices subjected to audit were determined to have attained their targets although the renewal of Agency Agreements and issuance of Notices of Extension may be improved further. Through the findings of the Committee, the Board resolved to delegate the authority to sign said documents to the Assistant General Manager of the Branch Operations Sector resulting in the faster turnover time for the subject documents.

III. Discrepancies in the Listed and Actual Properties of the Agency

There was a discrepancy observed in the records of the agency with respect to its listed properties and the actual physical inventory. The IAS coordinated with the Assets and Supply Management Department (ASMD) and the Disposal Committee (DC) to reconcile said discrepancies. Due to these findings, the DC made several recommendations to the Board for disposal of unserviceable vehicles and unusable properties.

Meanwhile, the IAS together with the representatives of the Accounting and Budget Department (ABD) and ASMD visited 49 branch offices for the one-time cleansing of PCSO properties.

After the one-time cleansing, an exit conference was conducted so that recommendations and actions to be taken are properly noted by the Branch Offices concerned.

IV. Audit of Leased Multi-function Photocopying Machines

It has been reported to the Committee that some photocopying machines do not align with the specific need of the particular department or offices. Upon looking into the matter, it was found that the discrepancy in billing of the machines is very minimal and overall, the cost of leasing the photocopying machines remains economically beneficial for the agency.

Office of the Board Secretary