

BOARD AUDIT AND COMPLIANCE COMMITTEE

Major Initiatives and Accomplishments for 2025

The Board Audit and Compliance Committee convened eight (8) meetings in 2025. Its major initiative and accomplishments for the year are as follows:

- A. Discussed and endorsed the following for approval and/or confirmation:
1. Annual Audit Plan for CY 2025
 2. Results of Audit on Credit Support and Asset Recovery Group (CSARG) - Part 1
 3. Updates on the Agency Action Plan and Status of Implementation (AAPSI) Relative to the COA Performance Audi Report (PAO-2021-01)
 4. Results of Follow-Up Review of Financial Reporting as of 31 August 2024
 5. Results of Audit in Visayas Group Operations (VG) – Retail Accounts Management Process
 6. Proposed Revision of the Internal Audit Charter
 7. Agency Action Plan and Status of Implementation (AAPSI) for the Audit Observations and Recommendations from the Annual Audit Report for CY 2024 and Prior Years
 8. Audit Plan for CY2025 Status Report with Request for Amendment
 9. Results of Audit on Enhanced Credit Risk Management Through Implementation of the Credit Scoring Model Using Machine Learning (ML)
 10. Results of Audit on Credit Support and Asset Recovery Group (CSARG) - Part 2
 11. Results of Audit on Northern Luzon Group (NLG) on Wholesale Lending and Administrative Support Functions
 12. Results of Audit on Mindanao Group (MG) – Account Management Process (Retail Lending Program)
 13. Self-Assessment Questionnaire (SAQ) on the Operational Framework under BSP Circular No. 1203 Series Of 2024
 14. Small Business Corporation’s Reply to Bangko Sentral ng Pilipinas (BSP) Report of Examination 2025
 15. Internal Audit Group’s Action Plans in Compliance with BSP’s Directive:
 - Annex A. Policy Guidelines on the Assessment of Risk Profiles and Complexity of Audit Engagement
 - Annex B. Proposed Amendments on Audit Frequency
- B. Discussed and noted the following:
1. Status of Implementation of Prior Year’s Audit Recommendations (SIPYAR) for CY 2023 And Prior Years
 2. Internal Audit Tracking Reports
 - As of 31 December 2024
 - As of 31 March 2025
 - As of 31 May 2025 (Deliverables from the 109th BACC Meeting)
 - As of 30 November 2025
 3. Annual Report on Internal Audit Activities for CY 2024
 4. Updates on the COA Annual Financial Audit for CY 2024 and Submitted Reportorial / Compliance Requirements
 5. Status of Validation of Small Business Corporation’s Compliance with Good Governance Conditions and Other Conditions and Requirements for Eligibility to Performance-Based Bonus (PBB) for FY 2023

6. Energy Audit Rating of Small Business Corporation
7. Compliance with Various Bangko Sentral (BSP) ng Pilipinas Requirements
8. C.Y. 2024 Compliance Audit Report and Status Prior Year's Audit Recommendations
9. Status of Implementation of Prior Year's Audit Recommendations from the CY 2023 Compliance Audit Report