



## NATIONAL POWER CORPORATION

### 2016 National Power Board Audit Committee Report

The National Power Board Audit Committee (NPBAC) was composed of the following duly-designated members:

Chairman	Lorenzo C. Drapete	Department of Budget and Management (DBM)
Co-Chairman	<i>16 February 2015 – 28 April 2016</i> Ma. Teresa S. Habitan Joanna P. Castillo ( <i>Alternate</i> )  <i>April 2016 – August 2016</i> Edita Z. Tan Eugene Jose B. Pastor ( <i>Alternate until December 2016</i> )  <i>September 2016 – Present</i> Bayani H. Agabin	Department of Finance (DOF)
Members	<i>November 2015 – August 2016</i> Mylene C. Capongcol  <i>September 2016 – December 2016</i> Felix William B. Fuentebella Mylene C. Capongcol ( <i>Alternate</i> )	Department of Energy (DOE)
	<i>June 2010 – June 2016</i> Analiza R. Teh Anselmo C. Abungan ( <i>Alternate</i> )  <i>June 2016 – Present</i> Maria Paz G. Luna	Department of Environment and Natural Resources (DENR)
	<i>January 2015 – June 2016</i> Ruben S. Reinoso Francis C. Coballes ( <i>Alternate from March 2013 – June 2016</i> )  <i>July 2016 - Present</i> Rolando D. Tungpalan Roderick M. Planta ( <i>Alternate</i> )	National Economic and Development Authority (NEDA)
	<i>June 2014 – June 2016</i> Edwin R. Enrile Sara Jane M. Cerezo ( <i>Alternate</i> )  <i>July 2016 – Present</i> John R. Castriciones	Department of the Interior and Local Government (DILG)
	Raul V. Angeles	Department of Trade and Industry (DTI)

For the year 2016, the NPBAC held three meetings, highlights of which are the following:

**Meeting 1 16 March 2016**

Members in Attendance:

Lorenzo C. Drapete  
Joanna P. Castillo  
Victoria S. Cortez (Duly authorized representative of DOE)  
Anselmo C. Abungan  
Francis C. Coballes  
Sara Jane M. Cerezo  
Raul V. Angeles

Matters Discussed:

1. Proposed 2016 Internal Audit Department (IAD) Work Plan. The NPBAC discussed the details of the proposed projects of IAD's two divisions, and approved the proposed Work Plan.
2. Audit Report on the Review of Implementation Audit of Power Supply Agreement – Eastern Mindanao Operations Division of the Small Power Utilities Group. The NPBAC, after being apprised of the results of the audit, gave the following instructions to IAD:
  - require concerned groups to include a detailed timeline of actions that they commit to undertake to address audit findings, and monitor their compliance within six months; and
  - follow-up and monitor the progress of the drafting of the new Manual of Approvals.
3. Filling-up of IAD Vacant positions. The NPBAC directed IAD to present to it the results of evaluation by the Nomination and Remuneration Committee of applicants for IAD positions prior to endorsement to the Board for approval.

**Meeting 2 24 May 2016**

Members in Attendance:

Lorenzo C. Drapete  
Joanna P. Castillo  
Anselmo C. Abungan  
Francis C. Coballes  
Sara Jane M. Cerezo

Matters Discussed:

1. Job Levelling. The NPBAC deliberated on and approved the proposed IAD job levelling.
2. Report on Monitoring of Actions Taken on IAD Findings/Observations. The NPBAC directed IAD to conduct follow-up activities on pending non-compliances by concerned groups, who should be required to submit justifications for such non-compliances and timelines for compliance.

**Meeting 3 21 September 2016**

Members in Attendance:

Lorenzo C. Drapete  
Eugene Jose B. Pastor  
Mylene C. Capongcol  
Francis C. Coballes  
Venir G. Cuyco (Duly authorized representative of DENR)

Matters Discussed:

1. Review of Asset Disposal System. The NPBAC considered the findings/observations reported, and instructed IAD to:
  - recommend that Management explore the possibility of requesting COA to assess the assets of the Bataan Nuclear Power Plant; and
  - elevate the issue on BNPP to the Board.
2. Review of Release of Funding Requirements – Operations and Maintenance Agreement, Mindanao Generation. The NPBAC discussed the results of the IAD review and recommended that the Boards of NPC and Power Sector Assets and Liabilities Management Corporation (PSALM) convene in a joint meeting to thresh out the issues.
3. Review of Utility Plants – Small Power Utilities Group (SPUG) Mindanao. After deliberation, the NPBAC set the yearend as deadline for Management to issue a policy for the deactivation and decommissioning of generating set units.
4. Filling-up of Remaining IAD Vacancy. The NPBAC approved the filling up of the remaining vacancy in IAD. It directed IAD to submit a request for the Nomination and Remuneration Committee to facilitate the selection process and submit its recommendation directly to the Board.